

STATE OF CALIFORNIA

DEPARTMENT OF MANAGED HEALTH CARE

HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

		1
1.	FOR THE QUARTER ENDING:	February 28, 2002
2.	Name:	American Healthguard, Inc.
3.	File Number:(Enter last three digits) 933-0	195
4.	Date Incorporated or Organized:	August 23, 1982
5.	Date Licensed as a HCSP:	September 28, 1984
6.	Date Federally Qualified as a HCSP:	September 28, 1994
7.	Date Commenced Operation:	September 28, 1994
8.	Mailing Address:	30 E. Santa Clara Suite D, Arcadia, CA
9.	Address of Main Administrative Office:	Same
10.	Telephone Number:	(626) 821-5500
11.	HCSP's ID Number:	
12.	Principal Location of Books and Records:	Above Address
13.	Plan Contact Person and Phone Number:	Michael Betker (626) 821-5500
14.	Financial Reporting Contact Person and Phone Number:	Michael Betker (626) 821-5500
15.	President:*	David Kutner
16.	Secretary:*	Stacy Perlman
17.	Chief Financial Officer:*	Michael Betker
18.	Other Officers:*	
19.		
20.		
21.		
22.	Directors:*	David Kutner
23.		Stacy Perlman
24.		Michael Betker
25.		
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	David Kutner
33. Secretary	Stacy Perlman
34. Chief Financial Officer	Michael Betker

* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.

35. Check if this is a revised filing:

36. If all dollar amounts are reported in thousands (000), check here

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM
SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="v"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="v"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="v"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="v"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="v"/>
6.	If "yes", describe:	

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	146,596
2. Short-Term Investments	
3. Premiums Receivable - Net	35,052
4. Interest Receivable	
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	30,435
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	
10. Aggregate Write-Ins for Current Assets	0
11. TOTAL CURRENT ASSETS (Items 1 to 10)	212,083
OTHER ASSETS:	
12. Restricted Assets	50,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	225,235
18. TOTAL OTHER ASSETS (Items 12 to 17)	275,235
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	7,461
20. Furniture and Equipment - Net	
21. Computer Equipment - Net	
22. Leasehold Improvements -Net	
23. Construction in Progress	
24. Software Development Costs	180,363
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	187,824
27. TOTAL ASSETS	675,142
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001.	
1002.	
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Accrued Interest Receivable	96,250
1702. Deposits	3,985
1703. Note Receivable - Shareholder	125,000
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	225,235
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	34,003	XXX	34,003
2. Capitation Payable	22,769	XXX	22,769
3. Claims Payable (Reported)			0
4. Incurred But Not Reported Claims			0
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability			0
8. Unearned Premiums	273,966	XXX	273,966
9. Loans and Notes Payable	15,942	XXX	15,942
10. Amounts Due To Affiliates - Current		XXX	0
11. Aggregate Write-Ins for Current Liabilities	3,723	0	3,723
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	350,403	0	350,403
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	16,790	XXX	16,790
14. Loans and Notes Payable (Subordinated)	178,600	XXX	178,600
15. Accrued Subordinated Interest Payable	96,250	XXX	96,250
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	291,640	XXX	291,640
19. TOTAL LIABILITIES	642,043	0	642,043
NET WORTH			
20. Common Stock	XXX	XXX	4,000
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	20,000
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	9,098
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	1
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	33,099
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	675,142
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Accrued Salaries	2,123		2,123
1102. Income Taxes Payable	1,600		1,600
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	3,723	0	3,723
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501. Rounding	XXX	XXX	1
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	1

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	215,712	376,233
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	4,755	9,528
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	0	0
11. TOTAL REVENUE (Items 1 to 10)	220,467	385,761
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	87,910	145,282
16. Primary Professional Services - Non-Capitated		
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated	4,286	4,286
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	92,196	149,568
Administration		
25. Compensation	32,349	62,483
26. Interest Expense	5,295	10,342
27. Occupancy, Depreciation and Amortization	9,109	19,052
28. Management Fees		
29. Marketing		
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	51,517	114,180
32. TOTAL ADMINISTRATION (Items 25 to 31)	98,270	206,057
33. TOTAL EXPENSES	190,466	355,625
34. INCOME (LOSS)	30,001	30,136
35. Extraordinary Item		
36. Provision for Taxes		800
37. NET INCOME (LOSS)	30,001	29,336
NET WORTH:		
38. Net Worth Beginning of Period	3,097	3,762
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus		
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	30,001	29,336
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	1	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	33,099	33,098

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001.		
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101.		
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page	51,517	114,180
3199. TOTALS (Items 3101 thru 3106 plus 3198)	51,517	114,180
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801. Rounding	1	
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	1	0

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation		
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues		
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses		
8. Administration Expenses		
9. Federal Income Taxes Paid		
10. Interest Paid		
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	0	0
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets		
16. Payments for Investments		
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	0	0
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock		
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	0	0
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	0	0
28. CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
29. CASH AND CASH EQUIVALENTS AT END OF PERIOD	0	0
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	30,001	29,336
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization		
32. Decrease (Increase) in Receivables		
33. Decrease (Increase) in Prepaid Expenses		
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable		
36. Increase (Decrease) in Claims Payable and Shared Risk Pool		
37. Increase (Decrease) in Unearned Premium		
38. Aggregate Write-Ins for Adjustments to Net Income	0	0
39. TOTAL ADJUSTMENTS (Items 31 through 38)	0	0
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	30,001	29,336
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801.		
3802.		
3803.		
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	30,001	29,336
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization	2,500	5,000
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes		
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables	-35,052	-35,052
7. Prepaid Expenses	-17,834	-19,258
8. Affiliate Receivables		0
9. Aggregate write-ins for (increase) decrease in operating assets	-3,750	-7,500
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable	11,619	11,317
11. Capitation Payable	7,297	-9,662
12. Claims Payable and IBNR		
13. Other Medical Liability		
14. Unearned Premiums	36,648	56,454
15. Affiliate Payables		
16. Aggregate write-ins for increase (decrease) in operating liabilities	1,061	7,233
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	32,490	37,868
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets		
19. Proceeds from Investments		
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments		
23. Payments for Property, Plant, and Equipment		
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates	9,940	9,940
29. Principal Payments on Loans from Non-Affiliates		
30. Principal Payments on Loans from Affiliates	-1,491	-3,712
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	8,449	6,228
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	40,939	44,096
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	105,657	102,500
37. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	146,596	146,596

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901. Accrued Interest Receivable	-3,750	-7,500
902.		
903.		
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	-3,750	-7,500
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601. Accrued Salaries	-2,689	-267
1602. Accrued Interest Payable	3,750	7,500
1603.		
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	1,061	7,233
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Bank of America	02011-02992	44,833
2. Pacific Business Bank	41027093	81,112
3. Pacific Business Bank	41303208	20,651
4.		
5.		
6.		
7.		
8.		
9. Total Cash on Deposit		146,596
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		146,596

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Pacific Business Bank	41303208	50,000
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		50,000

* Indicate the Balance Per the HMO's Records

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.	IPA Member Benefits	12,546			12,546
2.	Medi-Cal	13,710			13,710
3.	Group T911	8,796			8,796
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
16.					0
17.					0
18.					0
19.					0
20.					0
21.					0
22.					0
23.					0
24.					0
25.					0
26.					0
27.					0
28.					0
29.					0
30.					0
31.					0
32.					0
33.					0
34.					0
35.					0
36.					0
37.					0
38.					0
39.					0
40.					0
41.					0
42.					0
43.					0
44.					0
45.					0
46.					0
47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	35,052	0	0	35,052

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 Over 90 Days	5 Total
1.					0
2.					0
3.					0
4.					0
5.					0
6.					0
7.					0
8.					0
9.					0
10.					0
11.					0
12.					0
13.					0
14.					0
15.					0
16.					0
17.					0
18.					0
19.					0
20.					0
21.					0
22.					0
23.					0
24.					0
25.					0
26.					0
27.					0
28.					0
29.					0
30.					0
31.					0
32.					0
33.					0
34.					0
35.					0
36.					0
37.					0
38.					0
39.					0
40.					0
41.					0
42.					0
43.					0
44.					0
45.					0
46.					0
47.					0
48.					0
49.					0
50.					0
51.					0
52.					0
53.					0
54.					0
55.	Total - Individual Listed Receivables	0	0	0	0

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter on the line titled, "Aggregate Accounts Not Individually Listed-Due." Report accounts payable from the initial date of billing or due date under contract.

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 91-120 Days	5 Over 120 Days	6 Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.	Total - Individual Listed Payables	0	0	0	0	0

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims			0
2. Physician Claims			0
3. Referral Claims			0
4. Other Medical			0
5. TOTAL	0	0	0

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year			7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year	6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1	2	3	4	5	6	7
Month Ending	Beginning Balance Number of Claims in inventory on the 1st of each month	Add - Claims Received during the month	Deduct - Claims paid during the month	Deduct - Claims denied during the month	Add/Deduct - Adjustments	Ending Balance Number of claims in inventory at the end of the month
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Liability (Based on plan's lag table)
1. Current		XXX	0	
2. Previous			0	
3. Previous			0	
4. Previous			0	
5. Previous			0	
6. Previous			0	
7. Previous			0	
8. Previous			0	

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 6.

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NOTES TO FINANCIAL STATEMENTS	
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OVERFLOW PAGE FOR WRITE-INS		
1.	Bank Charges	1012
2.	Commissions	4183
3.	Computer Costs	2460
4.	Insurance	4933
5.	Licenses and Permits	4280
6.	Office Supplies	4932
7.	Miscellaneous	964
8.	Payroll Taxes	5512
9.	Postage	4140
10.	Professonal Fees	10766
11.	Repairs	340
12.	Telephone	6625
13.	Travel	170
14.	Printing & Reproduction	1200
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STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION

PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.					
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.	David Kutner	Officer	Loan	125,000	
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.					
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.					
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	33,098
17.	Add: Subordinated Debt			\$	274,850
18.	Less: Receivables from officers, directors, and affiliates			\$	125,000
19.	Intangibles			\$	
20.	Tangible Net Equity (TNE)			\$	182,948
21.	Required Tangible Net Equity (See Page 22)			\$	50,000
22.	TNE Excess (Deficiency)			\$	132,948
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	215,712
24.	Administrative Costs			\$	98,270
25.	Percentage				45.60 %
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	
27.	Total costs for health care services for the immediately preceding six months:			\$	145,282
28.	Percentage				%

1

G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:

29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed: \$

30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days: \$

31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid: \$

32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported: \$

33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:

34. Cash & cash equivalents maintained \$

35. Noncontracting provider claims (aggregate of total of items 29 - 32 above) \$

36. Cash & cash equivalents reported to be maintained (120% x Line 34) \$

37. Deposit required (100% of Line 36) \$

38. Excess (deficient) reserves (Line 34 - Line 37) \$

Percentage of premium revenue earned from point-of-service plan contracts:

39. Premium revenue earned from point-of-service plan contracts \$

40. Total premium revenue earned \$

41. Percentage %

Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:

42. Health care expenditures for out-of-network services for point-of-service enrollees \$

43. Total health care expenditures \$

44. Percentage %

45. Point-of-Service Enrollment at end of period

Total Ambulatory encounters for period for point-of-service enrollees:

46. Physician

47. Non-Physician

48. Total

49. Total Patient Days Incurred for Point-of-Service enrollees

50. Annualized Hospital Days/1000 for Point-of-Service enrollees

51. Average Length of Stay for Point of Service enrollees

52. Compliance with Section 1374.68(a) as follows:

53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts: \$

54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts \$

55. Total \$

56. Total times 120% \$

57. Deposit (Greater of Line 4 or minimum of \$200,000) \$

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:
TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

	Full Service Plans		Specialized Plans	
		1		2
A. Minimum TNE Requirement	\$	1,000,000	Minimum TNE Requirement	\$ 50,000
B. REVENUES:				
1. 2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$ 17,257
Plus			Plus	
2. 1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$
3. Total	\$		Total	\$ 17,257
C. HEALTHCARE EXPENDITURES:				
4. 8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$
Plus			Plus	
5. 4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
Plus			Plus	
6. 4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$
7. Total	\$		Total	\$
8. Required "TNE" - Greater of "A" "B" or "C"	\$		Required "TNE" - Greater of "A" "B" or "C"	\$

KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64

POINT OF SERVICE "ADJUSTED" TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

		1
1. Net Equity	\$	33,098
2. Add: Subordinated Debt	\$	274,850
3. Less: Receivables from officers, directors, and affiliates	\$	125,000
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	182,948
6. Required Tangible Net Equity (From Line 18 below)	\$	
7. TNE Excess (Deficiency)	\$	
ADJUSTED REQUIRED MINIMUM TANGIBLE NET EQUITY CALCULATION:		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	
11. Multiply line 10 by 130% ADJUSTED REQUIRED MINIMUM TNE	\$	
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
PART A		
12. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
13. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
14. Add lines 12 and 13	\$	
15. Multiply line 14 by 130%	\$	
PART B		
16. Unadjusted minimum TNE as calculated under Rule 1300.76 (a)(3)	\$	
17. Multiply line 16 by 130%	\$	
18. Greater of Part II, Lines 15 or 17 ADJUSTED REQUIRED MINIMUM TNE (To Line 6 above)	\$	

STATEMENT AS OF 2-28-2002 OF 933-0195 American Healthguard, Inc.

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text"/>	<input type="text"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text"/>	\$ <input type="text"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text"/>	\$ <input type="text"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text"/>	\$ <input type="text"/>
13. Total	\$ <input type="text"/>	\$ <input type="text"/>